

**ACCOUNTING EXAMINING BOARD MEETING
MINUTES
MADISON WI
FRIDAY, JANUARY 17, 2003**

PRESENT: Frank Probst, Frederick Franklin, Sharon Hamilton, Jim Johnson,
Thomas Kilkenny

STAFF PRESENT: Mary Forseth, Bureau Director; William Dusso, Legal Counsel;
Pamela Meicher, Program Assistant

GUESTS: Arland Stone, WAA

CALL TO ORDER

Frank Probst, Chair, called the meeting to order at 9: 04 a.m. A quorum of 5 members was present.

AGENDA

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to approve the agenda as published. Motion carried unanimously.

MINUTES

MOTION: Jim Johnson moved, seconded by Thomas Kilkenny, to approve the minutes of 12/13/02 as published. Motion carried unanimously.

ADMINISTRATIVE REPORT

**MARY FORSETH, DIRECTOR, BUREAU OF BUSINESS AND DESIGN
PROFESSIONS**

Mary Forseth announced that appointments for Dr. Joann Noe Cross and Mathew Tharaniyil were withdrawn and they will not be serving on the Board unless appointed by the new administration.

Kimberly Nania announced that Donsia Strong Hill is the new Secretary of Department of Regulation and Licensing.

BOARD ROSTER

The Board noted the roster changes.

2003 MEETING DATES

The Board noted the 2003 meeting dates.

REGULATORY DIGEST

The Board reviewed and approved the draft Regulatory Digest that is scheduled to go out next week.

SUMMARY REPORTS ON PENDING COURT CASES, DISCIPLINARY CASES AND ADMINISTRATIVE RULES AND MONTHLY PRESS RELEASE OF DISCIPLINARY ORDERS

Noted

ELECTION OF BOARD OFFICERS

Elections were held for the Board officers. Transition of those officers will occur at the next Board Meeting.

MOTION: Thomas Kilkenny moved, seconded by Sharon Hamilton, to elect Norbert Johnson as Chair of the Accounting Examining Board. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to close the nomination. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Norbert Johnson, to elect Thomas Kilkenny as Vice-Chair of the Accounting Examining Board. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Norbert Johnson, to close the nomination. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Norbert Johnson, to elect Roman Jungers as Secretary of the Accounting Examining Board. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Norbert Johnson, to close the nomination. Vote taken with all ayes. Motion carried unanimously.

REVIEW STATUS OF ADMINISTRATIVE RULES

REVIEW AND APPROVAL, INDEPENDENCE RULES

Legal Counsel, William Dusso, reviewed the Independence rules with the Board. William Dusso proposed that another option for promulgating these rules is to adopt the

Independence rules by referencing the AICPA Standards. This would achieve uniformity, clarity and avoid unnecessary expense. The Board's rule incorporating by reference would state how the incorporated material may be obtained in print form and via the Internet and that the standards are on file at the offices of the Department, the Secretary of State and the Revisor of Statutes. Once that is complete, approval is required by the Attorney General and the Revisor of Statutes.

MOTION: Sharon Hamilton moved, seconded by Norbert Johnson, to authorize Frank Probst to send a letter to the Attorney General and to the Revisor of the Statutes Bureau to request under Wis. Stat. sec. 227.21 (2) (b), for consent to adopt, by reference, in the Wisconsin Administrative Code, the standards for independence recently adopted by the American Institute of Certified Public Accountants (AICPA). Motion carried unanimously.

REVIEW AND APPROVAL OF PEER REVIEW RULES

William Dusso, Legal Counsel distributed the latest draft of the proposed rule order of the Accounting Examining Board to create ch. Accy 9, relating to peer reviews. After Board approval this rule can be sent to the Legislative Committees.

MOTION: Thomas Kilkenny moved, seconded by Sharon Hamilton, to adopt the 01/17/03 version of ch. Accy 9, relating to Peer Review and send the rule on to the Legislative Committees. Motion carried unanimously.

ADMINISTRATIVE RULES HEARING, CPA COMPUTER BASED TESTING RULE 9:30 A.M., PAMELA HAACK

Darwin Tichenor, Exam Specialist, joined the Board for discussion on rules for computer based exams. Mr. Tichenor advised the Board that he completed the questionnaire from the National Association of State Boards of Accountancy (NASBA) relating to Rules for Credit and Transitioning. Darwin Tichenor also discussed the difference in the rules; a pass/fail score versus a passing score of 75. Frank Probst also pointed out that the rule includes limits on the number of times one can take the exam.

A public hearing was held at 9:30 a.m. to consider an order to repeal Accy 3.11 (1); to amend Accy 3.03 (1); and to repeal and recreate Accy 3.06 and 3.07, relating to a new computer-based examination.

The Hearing adjourned at 9:31 a.m. There were no comments or testimony at this hearing.

After further discussion the Board decided that the public is best served by keeping the score 75, in the rule.

Pamela Haack, Paralegal, will make the Board requested changes and explain the Board's recommendation. The Rule will be open for more comments until January 31, 2003. The rule will go to the Legislative Committees on February 1, 2003.

MOTION: Sharon Hamilton moved, seconded by Thomas Kilkenny, to adopt the revised version of ch. Accy 3.03 (1), relating to a new computer-based examination and a passing grade on each section of 75 or higher. Motion carried unanimously.

MOTION: Sharon Hamilton moved, seconded by Norbert Johnson, to approve that after revision, the rules relating to a new computer-based examination be sent to the Legislative Committees. Motion carried unanimously.

MODERNIZATION ACT, CONFORMING CODE CHANGES, WILLIAM DUSSO

William Dusso reviewed and took the requested changes from the Board on the first draft of the Rule changes relating to Conforming Code to Modernization Act. Mr. Dusso is waiting for comments from Mike Vaughn that may need to be incorporated into the rule.

RULES GOVERNING APPLICABILITY OF RULES OF CONDUCT FOR SEPARATE BUSINESSES – WILLIAM DUSSO

William Dusso provided the Board with a revised draft of the rules of Conduct for Separate Businesses, incorporating the changes received from Kim Tredinnick. He noted that the Board should consider the concern raised about the need for and consequences of Accy 1.002 Application of rules of conduct to certified public accountants who operate a CPA-related business. Mr. Dusso clarified that a certified public accountant who does not practice as a certified public accountant shall observe the rules of the examining board in the operation of any business. Mr. Dusso recommended that this issued be deferred until the next meeting.

BOARD MEMBER ACTIVITY

Frank Probst attended the meeting of the Board of Examiners. The meeting addressed systems and integrations.

MISCELLANEOUS CORRESPONDENCE/INFORMATION

EXPOSURE DRAFT, TAX ACCOUNTING STANDARDS FOR SMALL BUSINESS

The Board noted the exposure draft of Tax Accounting Standards for Small Business (TASSB) from the National Society of Accountants (NSA).

Arland Stone, WAA commented that the standards should be meaningful and accepted by banks, and should give guidance for non-licensed businesses. Mr. Stone will respond to the NSA.

NEW BUSINESS

William Dusso provided the Board with a copy of the letter he sent to members of the Small Business Review Advisory Committee addressing CPA Reports and Fees for Peer Review.

OTHER BUSINESS

Jan Bobholz provided the Board with a copy of a request for petition for Reinstatement and Certification to Practice as a Certified Public Accountant (license #14341).

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to reinstate the license of Carol Gilbert contingent upon receiving proof of her successful completion of the “Computer Fraud” course. Motion carried unanimously.

APPLICATIONS REVIEWED ON JANUARY 17, 2003 FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to approve 21 applicants for licensure. Motion carried unanimously.

The Board took the following action on applications. Applicants applied based on examination, transfer of credit from another state and endorsement of license from another state.

FOR REGISTRATION AS A CERTIFIED PUBLIC ACCOUNTANT

1. Approved – 21

BINSFELD, JENNIFER M
BRADLEY, STACEY A
CHAN, HEIDI W
CLARK, GAIL M
DOUD, TRACY J
FORSTER, ROCHELLE C
GLEASON, EDWARD J
GRIMM, PETER C
HANSON, LOWELL D W
HEYER, BRIAN G
JANIGO, CHRISTYN R
KRISTAPOVICH, WILLIAM A
LAMBRECHT, MARC T
LEEDLE, AMY L
LEIMAN, ROCHEL
LENGYEL, JULIA N
MEYER, ROBERT P

MURPHY, ANDREW T
ROBINSON, ELISHA E
SILBERSACK, MARY A
WISER, DENNIS J

ADJOURNMENT

MOTION: Jim Johnson moved, seconded by Sharon Hamilton, to adjourn the meeting at 11:47 a.m. Motion carried unanimously.